FLEET MANAGEMENT PLAN AND BUDGET NARRATIVE

FY 2013 FLEET MANAGEMENT PLAN AND BUDGET NARRATIVE
FOR
U.S. DEPARTMENT OF AGRICULTURE

U.S. Department of Agriculture (USDA) provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management.

USDA's primary/core mission is to expand economic opportunity through innovation, helping rural America to thrive; to promote agriculture production sustainability that better nourishes Americans while also helping feed others throughout the world; and to preserve and conserve our Nation's natural resources through restored forests, improved watersheds, and healthy private working lands.

For additional information on the agency's primary/core mission, please refer to the Secretary's Strategic Plan FY 2010 to 2015 at http://www.ocfo.usda.gov/usdasp/sp2010/sp2010.pdf.

USDA owns and operates slightly over 42,000 vehicles, mostly light trucks and sedans, located in cities, rural communities, and National Forests all across the country.

These vehicles are used to support the departments' extensive and varied missions, including food safety inspections, agricultural research, fire suppression, and law enforcement. The complexity of USDA mission requirements and the overall size and nationwide dispersion of the fleet make meeting and striving to exceed federal target goals a challenging effort that requires the commitment of all our agency fleet managers.

In FY 2013, USDA realized a reduction in overall vehicle inventory and the acquisitions of new vehicles. In addition, the percentage of alternatively-fueled vehicles continued to trend upward as USDA met its targeted goal of 75% of its covered light-duty vehicles acquired were alternatively-fueled vehicles. To achieve the optimal fleet attainment, USDA will continue to reduce the number of conventional fuel vehicles and increase the percentage of light duty alternative fuel vehicles in its inventory. In addition, agencies will assess vehicles that are older, less efficient, high maintenance and/or under-utilized.

The following strategies are being implemented at the national, state and/or local level:

Petroleum Reduction

- Maximize utilization of alternative fuel in dual-fueled vehicles

    a. Acquire the optimal alternative fuel vehicle for each vehicle's mission, and locate alternative fuel vehicles where they have access to alternative fuel.
    b. Install alternative fuel pumps at agency fleet fueling centers
    c. Utilize GSA Fleet Sustainability Dashboard tracks fuel consumption in GSA-leased vehicles, identifying successes as well as "missed opportunities" to use alternative fuel

Data Quality Considerations

- USDA is seeking a new commercially available fleet card used to charge fuel, maintenance and immediately consumable supplies and services for the continued operation and maintenance of vehicles and motorized equipment (e.g. farm equipment, aircraft, etc.) it owns and manages.
- Increasing the amount of Level III data captured on fuel transactions as specified in the reporting requirements of Executive Order 13514. See Attachment F (Executive Order 13514)

Fleet Inventory Size

- Implement policies that ensure the agency's LE and emergency vehicles are the smallest, most fuel efficient, and least greenhouse gas emitting vehicles necessary to execute mission requirements as outlined in GSA Bulletin FMR B-33, "Alternative Fuel Vehicle Guidance for Law Enforcement and Emergency Vehicle Fleets"

- Maintain a record of exemption documents at the USDA Office of Procurement and Property Management, per The Presidential Memorandum on Federal Fleet Performance, which states the head of the agency may exempt vehicles used for law enforcement, protective, emergency response, or military tactical operations of that agency from the provisions of the VAM study. The USDA has exempted 2,583 law enforcement and emergency vehicles from the VAM study.

- Planned reductions in fleet size and petroleum consumption should be coordinated with, and sufficient for, achieving the agency's scope 1 & 2 GHG reduction target by 2020.

    a. Dispose of low utilized vehicles or combined with other low utilized vehicles in vehicle sharing arrangements.
    b. Where it is not mission required, vehicles assigned to a single employee should be eliminated.

Vehicle Type Composition

- Acquire the most fuel-efficient vehicles available to fulfill a given vehicle mission. Dual-fueled vehicles capable of operating on either petroleum or alternative fuel should be placed in locations where the alternative fuel is available (to avoid the need for EPAct section 701 waivers) and be operated on the alternative fuel (to be compliant with EPAct section 701 requirements).

    a. Increase in sub-compact sedan inventory from the baseline fleet to the optimal fleet while all other vehicle categories decrease by FY2015. USDA projects a 50% increase in sub-compact sedan inventory form baseline fleet. This movement towards more fuel efficient, smaller sedans should also reduce petroleum use and reduce greenhouse gas emissions
    b. Increased the number of alternative fuel vehicles and reduce conventionally fueled vehicles by December 31, 2015. All new light duty vehicles leased or purchased by agencies must be alternative fueled vehicles, such as hybrid or electric, compressed natural gas, or biofuel. USDA's AFV acquisition plans will position the agency to easily meet this mandate. USDA projects to greatly increase its AFV fleet by FY2015.

c. Acquire biofuel-capable AFVs and fuel them with the biofuel in locations where available to reduce fleet petroleum consumption. In locations where biofuel is not available, the fleet should consider acquiring AFVs that operate on other alternative fuels (e.g., electricity, natural gas, or propane), including hybrids and other low GHG-emitting vehicles that operate on petroleum.

Fueling Infrastructure

- Locate alternative fueled vehicles must, as soon as practicable, in proximity to fueling stations with available alternative fuels, and operate on the alternative fuel for which the vehicle is designed.

  a. Begin cooperative *effort* with other agencies to install or encourage commercial development of alternative fuel infrastructure in areas where needed.
  b. Utilize DOE tools available at its website, including an interactive map showing Federal vehicles for which waivers for the use of non-alternative fuel have been granted, which may be useful in finding partners.
  c. Consult with the GSA Office of Motor Vehicle Management for assistance in identifying and facilitating the placement of GSA Fleet AFVs, as soon as practicable, in proximity to fueling stations with available alternative fuels, so that the vehicles can be operated on the alternative fuel for which the vehicle is designed.

Vehicle Sourcing/Cost

- Source agency-owned fleet from less costly sources except where agency-owned vehicles are required by mission. Reduce commercial leases when economically feasible to utilize GSA leasing as an option.
- Examine all agency-owned vehicles throughout the agency fleet to ensure that less costly vehicle sourcing is not feasible.

Fleet Management Information System

- Implement a centralized fleet management system, as required of all Federal executive agencies with large fleets (2,000 or more vehicles), per Sections 15301 and 15302 of the Consolidated Omnibus Budget Reconciliation Act of 1986 (Pub. L. No. 99-272) (40 U.S.C. Sec. 17502 and 17503) to have a centralized system to identify, collect, and analyze motor vehicle data with respect to all costs incurred for the operation, maintenance, acquisition, and disposition of motor vehicles. In addition, a centralized system meets the requirements of FMR Bulletin 8-15 be put in place to provide reliable data for fleet management and forecasting.

Shared Fleet-on-Demand Services

- Implement opportunities to use Shared Fleet-on-Demand Services to include vehicle sharing, on- demand service, or public transportation. Determine opportunities where locations exist for vehicle sharing and short term rental vehicles could replace full-time vehicle assets. Short term vehicle needs, such as vehicles for seasonal workers, could be met with rental vehicles under a recent policy change that permits rental up to 120 days.

Overall, USDA mission includes national programs with work forces widely dispersed throughout urban and rural centers depending on the mission. In many instances rural offices consist of only 1 to 3 individuals responsible for large geographic areas. USDA vehicles are a

vital part of their being able to complete their wide spread job duties. Vehicles are assigned in relation to the type of activity performed. For instance, the Agricultural Research Service (ARS), which serves as the USDA's chief in-house scientific research agency, has approximately 3,000 vehicles at 80 field locations, most of which are rural, that geographically cover the United States via the North Atlantic, Beltsville, South Atlantic, Mid West, Mid South, Southern Plains, Northern Plains, and Pacific West. The Foreign Agricultural Service's (FAS), which links U.S. agriculture to the world to enhance export opportunities and global food security, has an overseas fleet of 55 vehicles of different types at 49 overseas posts to support the FAS mission. The role of FAS overseas vehicle fleet's includes crop assessment trips to gather agriculture data, official travel to other countries within regional coverage, trips to local government offices, travel to functions that include representational events with agribusiness organizations, and transportation of official visitors. Lastly, the Forest Service, which manages public lands in national forests and grasslands, has a workforce of approximately 30,000 employees utilizing a fleet of approximately 19,000 highway. The Forest Service operates in remote areas of the country where public transportation is limited. Management of these remote lands requires the use of many different types of transportation and equipment ranging from ATVs, snowmobiles, sedans and pickup trucks, to large trucks and construction equipment to protect National Forest System lands, carry out research and State and Private Forestry programs, and conduct law enforcement activities.

Criteria for Justifying and Assigning Vehicles

Most USDA agencies use, but are not limited to, the following basic utilization criterion to justify vehicle purchases: 1) the number of vehicles/per person ratio; 2) the number of miles traveled per year; 3) the number of trips required per month; and 4) budgetary and project management responsibilities. Overall assignment of vehicles is dependent on the mission area, specific job assignment and office location. Larger and co-located offices may have a small pool of vehicles that are shared. Smaller offices may have specific vehicles assigned dependent on the job requirements and travel required to perform the mission in target areas. For instance, specific job classifications such as a Wildlife Field Biologist almost always require some sort of truck or sport utility vehicle to perform their job duties. In this situation, vehicle needs and use are determined at the discretion of the office, program, and/or area leader to support of the mission.

Home-to-work vehicles are justified in accordance with USDA Departmental Regulation 5400-005, which also uses job series as a determining factor. The distance to a program office in relationship to the field location is also a major consideration. However, some law enforcement (LE) vehicles are assigned to specific LE officers and agents with the type of vehicle depending on type of officer. For instance, most Office of Inspector General officers and agents are granted home-to-work (HTW) permission through their Regional Special Agent in Charge, as they must be available (on call) to handle investigations at any time.

USDA agencies are also asked to obtain written commitment requesting the assignment of a government vehicle or the choice to use their privately owned vehicle (POV) on a reimbursable basis. The assignment of a government vehicle to a high mileage driver is usually at a cost saving to the agency compared to paying the employee to use their POV at the reimbursable rate.

USDA Vehicle Allocation Methodology (VAM) to Control Fleet Size and Cost

USDA VAM is on schedule to meet fleet size reductions and alternative fuel vehicle increases as planned and projected for FY 2015. From FY2010 to present, overall USDA fleet size has been reduced by 3% or more per year. With continued budget constraints, USDA anticipates

that and the number of vehicles will continue to decrease at the current or above rate and the age of the its fleet wll most likely increase.

Agencies purchase and lease their vehicles through GSA's Auto Choice program as mandated by USDA policy. With justification, very few vehicles are purchased through the open market. On occasion a used vehicle may be purchased and vehicles may also be acquired through GSA Excess. Future cost projections are based on current and historical trends of program mission activity and forecasted projects. Several agencies, including Animal and Plant Health Inspection Service (APHIS), are initiating a new methods that at the point of a purchase request, that will capture all necessary data required by E.O. 13514 and GSA Bulletins B-9 and B-30 will be reported on the form and rolled into the annual VAM Report. APHIS continues to shed non-compliant regular fuel vehicles, and when possible purchase only E-85 compliant and alternative fuel vehicles whenever possible.

Additionally, agencies conduct annual vehicle use surveys to identify vehicles that fall below minimum use standards. Vehicles with low mileage are flagged and require justification (e.g., low daily mileage, but high number of days of use) for retention. Across the agency, more vehicles are being placed in motor pools to increase utilization of individual vehicles and reduce the total number of vehicles needed. For instance, such vehicle use studies have projected a six percent decrease in fleet size for the Agricultural Research Service (ARS). The Forest Service Environmental Management System (EMS) and Sustainable Operations programs have been very active in encouraging fewer trips and increased use of tele- and video-conferencing.

Law Enforcement Vehicles

USDA law enforcement (LE) vehicles are classified as described in GSA Bulletin FMR B-33, however, Tier 1 and 2 LE vehicles are exempted from Energy Policy Act and VAM reporting. For instance, the USDA Office of Inspector (OIG) uses the law enforcement (LE) vehicle classification system described in GSA Bulletin FMR B-33, and exempts Tier II LE vehicles from Energy Policy Act. OIG strategically selects AFV vehicles where it can without impacting the mission of the OIG law enforcement efforts. This change will increase the utilization of OIG AFVs to 15% of the overall fleet.

Overall, USDA policy requires agencies to specifiy LE vehicle configuration that detail the vehicle type, fuel type and options when ordered or up fitted. Most LE vehicles are intermediate sport utility and mid-size. Forest Service (FS) fleet, including emergency and law enforcement (LE) vehicles, are included in inventory, reporting, utilization studies and VAM checklist. FS direction on alternative fuel vehicles also applies to its LEs. For example, if fuel is available within the normal vehicle use area, FS would order that type of AFV. If an AFV is available to purchase, but the alternative fuel is not currently available nor expected to be available with 2-3 years, an AFV is procured only if it is flex fuel and its purchase price is the same or less than the regular fueled vehicle.

Restricted Vehicles

USDA fleet does not include any limousines or armored vehicles. Vehicles larger than class III (midsize) vehicles, require agencies to maintain justifications for each one procured. Executive fleet vehicles are posted on the Department's Property Management Division fleet website as required by the Presidential Memorandum of May 2011. Most vehicle larger than class III vehicles are utilized for executive fleet, security forces and/or law enforcement. For instance, Forest Service (FS) purchases only midsize and below sedans and station wagons, except for law enforcement. LE sedans may be large (class IV) depending on availability of pursuit-rated sedans on GSA contract. FS does not have executive vehicles in its fleet.

Vehicle Replacements

USDA often maintains vehicles longer than the minimum replacement standards, especially for miles driven. This extends the useful life of the vehicle, which allows the owned vehicle to be comparative to leased costs over the same time period. The following criteria is used in considering the replacement of a vehicle:

- Assessment of the continuing need for a vehicle at the post.
- A standard replacement cycle. See GSA Standard Vehicle Replacement Chart below .
- Mileage of vehicle.
- Analysis of repair and operating costs.
- Condition of vehicle (i.e. rust, body condition, mechanical reliability).
- Major repairs (transmission, brakes, suspension, A/C etc.) that would extend usability and reliability of vehicle for an additional 3 to 4 years.

Per USDA policy, alternative fuel vehicles (AFV) and low GHG vehicles are purchased whenever possible. The vehicle replacement strategy for most USDA agencies (i.e., RD and FSA) is to deny vehicle request unless the vehicle choice is for an alternative fuel vehicle of equal or smaller size comparison, which is within guidance of the Presidential Memorandum of May 2011.

In FY2013, approximately 10 electric USDA vehicles are being procured under the GSA Plug-in Electric Vehicle lease program. AFV stations are also to be used as often as possible, especially when in close proximity to USDA locations. USDA promotes the replacement of non-low GHG vehicles with AFVs if there is E85 within 5 miles or 15 minutes of the garaged zip of that vehicle. Agencies provide employees with ethanol websites so that drivers can map out their routes for E85 locations. Additionally, USDA utilizes the Federal Fleet Dashboard to monitor missed opportunities for purchasing E85 for AFVs.

If there are no alternative fuel stations available, an EPAct 701 waiver is requested. In many cases, alternative fuels are difficult to find in the locations that USDA operates. For instance, although FS has a number of E85 flex fuel vehicles (purchased because they were the same price or less as a regular vehicle of that size/type), only a few locations have access to E85. As more stations open, FS policy states that alternative fuel will be used when available. FS also started an incentive program to assist its units with the incremental cost of purchasing an AFV (propane, CNG, PHEV and electric) or with the fueling itself (electric charging, overnight slow-fill CNG). Finally, FS has installed a blender ethanol pump in one location that does not have commercial fuel available and will target that location for more E85 vehicles in future orders.

Cost comparisons are used for all purchases when considering leased or owned. When no acceptable rationale is offered by an agency for acquiring vehicles from a source that is not cost

effective, the procurement is denied. The majority of USDA fleet is owned and most vehicles are replaced on the selection available in GSA's Auto Choice system. Agencies will identify the best/most efficient vehicle that will meet the requirements of the mission and follow Federal energy requirements. The ability to acquire all alternative fueled vehicles is dependent upon auto manufacturer's ability to produce the vehicles and bid on GSA contracts. Although there are more E85 and bio-diesel flex fuel vehicles available through GSA, often rural office locations are not located near E85 and bio-diesel merchants. Therefore, hybrid vehicles often allow the agency to benefit more from AFVs. The concern is the availability and cost. Hybrid vehicles cost significantly more than a traditional gasoline vehicle or flex fuel vehicle.

GSA Vehicle Replacement Standards Chart

Vehicle Category	Fuel Type	Years/Miles
Passenger Vehicles	Gasoline or AFV	3 and 36,000 4 and 24,000 5 and any miles Any year and 75,000
	Hybrids	5 and any miles
Light Trucks 4X2	Non-Diesel Diesel Hybrid	7 or 65,000 8 or 150,000 7 and any miles
Light Trucks 4X4	Non-Diesel Diesel Hybrid	7 or 60,000 8 or 150,000 7 and any miles
Medium Trucks 4X2/4X4	Non-Diesel Diesel	10 or 100,000 10 or 150,000
Heavy Trucks 4X2/4X4	Non-Diesel Diesel	12 or 100,000 12 or 250,000

Vehicle Management Information System

USDA is in the process of integrating data from its current Property Management Information System (PROP) with the GSA Federal Management Vehicle Registration System (FMVRS) and Federal Fleet Management System (FedFMS). FedFMS will assist with improving the management of USDA vehicles agency-wide by capturing of all transactions and costs for owned and leased motor vehicles, providing an accurate inventory, periodic reporting for FAST, etc.

In August, 2013, the USDA ARS and NASS fleets are converting to GSA's FedFMS for annual reporting requirements. APHIS and NRCS are considering the option to convert in the coming fiscal year. The other agencies, except Forest Service, consist mostly of leased vehicles and are already integrated into FedFMS. In March 2014, USDA will transition to a new fleet card that provides improved level III data and interface this data with the FedFMS. The overal goal is to transition to a dedicated fleet management system that will interface with FMVRS, current internal property inventory systems, and an improved fleet card.

For 30 years, the Forest Service has utilized its Equipment Management Information System (EMIS) and will continue to use this system for its fleet inventory, tracking expenses by vehicle, out year planning, and reporting. EMIS includes most of the fields required in the B-15 Bulletin. Forest Service operates its fleet using a Working Capital Fund (WCF) and EMIS interfaces with the agency financial system.

Vehicle Sharing

USDA anticipates that its new FMIS will be better able to share vehicle information on availability. Sharing of vehicles has been limited due to the inability of programs to track vehicle activities between other programs across geographical areas. With a reduction in funds for vehicle purchases, and a continued reduction in fleet size, USDA promotes the increase of vehicle sharing among its agencies due to need.

One outcome of annual utilization study is the identification of underutilized vehicles that can be shifted from an individual or project team to a motor pool. For instance, Forest Service results of a FY2012 utilization study showed that over 400 vehicles could be shared or shifted into motor pools to increase utilization. Forest Service shares some offices with other agencies, primarily land management agencies like Bureau of Land Management, National Park Service and Fish and Wildlife Service. Where applicable, these offices maintain a shared motor pool. This requires an agreement between the agencies detailing which vehicles are shared, how vehicle damage is repaired and how the agencies pay for the vehicles being used by their employees.

Additionally, efforts are underway to formalize agreements for vehicle sharing at the co-located offices of the Farm Service Agency (FSA), Natural Resources Conservation Service and Rural Development. For instance, the FSA State Executive has the option to implement a vehicle sharing program with other USDA Agencies. This type of plan is called a Mutual Agreement of Understanding (MOU); each state that shares has its own MOU. For example an agency could be paying for each mile driven, gas, maintenance fees and or sharing copy services etc. Once and agency agrees an MOU will be drafted and submitted to the Property Management Officer (PMO) for review then sent to the Office of General Counsel for legal review.

The Forest Service (FS) Sustainable Operations program has developed “Top 10 Tips for Conserving Fuel” which includes “Commit to Sharing Trips.” FS is currently moving existing automated reservation programs from a lotus platform (which will be shut down later this year) into a new system that will consolidate existing programs into one agency-wide system. FS anticipates its new reservation system will be available by FY2013.

However, some USDA missions require fleet to be available and accessible at remote locations, such as farms, ranches, etc. In such cases, using common carriers or shared carriers is not usually feasible. For instance, ARS and the National Agriculture Statistical Service have various research projects that are ongoing throughout the year, most in rural locations, distant field plots, leased farms, University land, etc. Eventhough some agencies require a high degree of mobility to ensure efficient research operations, USDA as whole will promote vehicle sharing options when opportunities occurs.

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Impediments to optimal fleet management.

There needs to be improved communication and cooperation between OMB, Department of Energy, GSA, and Agency Fleet and Budget communities to ensure agencies have clear and timely instructions for reporting requirements. Additionally, there needs to be continued effort to work together to streamline federal fleet mandates, including reporting requirements. Increased reporting requirements take time away from fleet managers at all levels of the organization. The result is less time is available for individual vehicle analysis, credit card monitoring and other fleet related tasks.

Additionally, the budget data (normally due in August) being required as part of this year's VAM submittal will not be accurate. Field agencies like the Forest Service have a very seasonal workforce (which means seasonal use of many vehicles). Most of their field work takes place during June-October. Asking for projected expenditures in February means FS will submit guesses rather than confident calculations. A re-do of the entire budget is required in August when better data is available. This means duplicate work – again taking time away from fleet management.

USDA has concerns regarding the availability and cost of alternative fuels and alternative fueled vehicles, primarily hybrids. The cost of a hybrid is 25 percent higher. For the leased side, the agency is responsible for incremental costs, so there still is an increase. Additionally, the availability of E85 fuel infrastructure is concerning. There will continue to be areas where there are no realistic solutions for AFVs, particularly in our very rural locations. In many cases, the most cost effective alternative fuel vehicles are E85 flex fuel. For instance, few Forest Service offices are located near E85 fuel sources. Through the Working Capital Fund, Forest Service initiated a program for assisting regions with the incremental costs of CNG, propane, PHEV and electric vehicles where appropriate (fuel is available and/or normal driving distances are within fueling range).

The 5 mile radius waiver process under Section 701 of the Energy Policy Act, is a "bird's eye view" and not true highway travel. At times, it is difficult for employees to understand the requirement to travel 15 minutes in another direction to refuel a flex fuel vehicle. Additionally, agencies need assistant in working with private vendors to allow access since the waiver process does not exclude merchants that are not available to the Federal fleet. The waiver process should not include private stations.

Anomalies and Possible Errors

Management of the fleet with regard to tracking usage, fuel and maintenance has been difficult as the current USDA fleet card did not record or report accurately on level III data. USDA is currently transitioning to a new fleet card program in FY2013.

Monthly operating cost per vehicle falls outside the pre-defined reasonable cost limits because the agency owned vehicles are aged and some are specialty purpose vehicles which are utilized for sporadic mission specific law enforcement purposes. Also, due to seasonal work, vehicles do not always meet the minimum amount ($100) set in FAST for potential errors.

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Agency Fleet Managers and Budget Officers approved individual FAST submissions